

PHILIP MORRIS MANAGEMENT CORP. INTER-OFFICE CORRESPONDENCE
120 PARK AVENUE, NEW YORK, NY 10017-5592

TO: Distribution
DATE: November 20, 1996
FROM: David Cooper
SUBJECT: Advertising Expenditures

I will be tabulating 1996 advertising expenditures to determine our consolidated 1997 dues for corporate membership in the Association of National Advertisers. You will be pleased to learn that this year there will be no charge-backs to any departments or operating companies, as these dues will be covered under the Issues Management budget.

Please provide me with a total of 1996 advertising expenditures as soon as possible. Advertising expenditures are defined as including all U.S. expenditures for advertising in any or all media whether national, regional or local; all production costs (personnel including talent, services and materiel); all U.S. advertising commissions and fees; and the member's share of all expenditures within the U.S. for cooperative advertising programs. It includes such monies expended directly by the member, as well as by those firms or entities by arrangement with the Member that promote the Member's name, products, services, brands, or other subjects of trade (e.g. expenditures by franchisees, licensees, distributors, dealers, or other agencies).

The term media includes: newspapers; periodicals; yellow pages; radio; television or other electronic systems; class and technical journals; business; farm and religious papers; car cards; posters and out-of-home advertising.

ANA calculates dues based on the combined advertising expenditures of Kraft Foods Inc., Miller Brewing Company, Philip Morris USA and Philip Morris Companies Inc.

If you have any questions, please give me a call at 212-878-2872. I'll look forward to seeing your replies.

Thank you.

Distribution:

I. Broeman - PM USA
K. Daragan-PM USA
F. Gomez-PMMC
B. Iler-PM USA
I. Leishman-Kraft
C. Purcell-PMMC
R. Simons-PM USA
M. Hart-Miller

cc: E. Woodward
R. Rogers

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